RAJYA SABHA

Monday, the 20th July, 2003/6 *Sravana,* 1925 *(Saka)*

The House met at eleven of the clock,

MR. CHAIRMAN in the Chair

ORAL ANSWERS TO QUESTIONS

Export of herbal and medicinal plants

*101. MISS MABEL REBELLO:††
SHRI B.J. PANDA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Export-Import Bank of India has identified herbal and medicinal plants as an important sub-sector for enhancement of exports;

(b) whether the current global demand of the herbal and medicinal plants is around 51,000 crores and whether it has released a booklet in this regard; and

(c) Government's action plan for exploiting the situation to the maximum in the global market?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) to (c).A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) The global demand for medicinal plants was estimated to be valued over Rs. 4,700 crores or US $ 1 billion (US $ 1000 million) in 2001. *(1US$ = Rs. 47/- approx.)* (Source: PC-TAS, ITC/UNCTAD, Geneva, SITC Code 2924 - Plants and parts of plants primarily used for pharmacy, perfumery and insecticides: fresh, dried, powdered). EXIM Bank brought out an Occasional Paper (No. 54) on 'Indian Medicinal

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††The question was actually asked on the floor of the House by Miss Mabel Rebello.

Plants—A Sector Study in 1997. The updated study is under finalisation and is expected to be released in August, 2003.

(c) Government's action plan for exploiting the situation to the maximum in the global market is summarized below:-

- The Department of Indian Systems of Medicine under the Ministry of Health & Family Welfare has recently introduced a promotional scheme, through National Medicinal Plants Board, providing incentives for commercial cultivation of medicinal plants, which can aid in their export.
- There are several Government initiatives focused specifically on medicinal plants resources. The Ministry of Health has a programme called 'Vanaspathi-van scheme' for encouraging forest departments to raise medicinal plants on degraded forestlands. The Department of Indian System of Medicine has also been promoting establishment of herbal gardens and development of agro-technology protocols for prioritized species.
- The Ministry of Environment and Forests has been implementing a pioneering programme in peninsular India for conserving wild populations of inter and intra specific medicinal plant diversity of that region.
- The Department of Biotechnology has established four cryo-preservation gene banks for medicinal plants to conserve the. species.
- The Indian Council for Agricultural Research has been implementing an All India coordinated programme for the cultivation of medicinal and aromatic plants.
- The Department of Science and Technology, through the Council for Scientific and Industrial Research (CSIR), has initiated an R&D project on traditional medicine, for standardizing prioritized herbal products under internationally acceptable norms.
- The Office of Director General Foreign Trade, Department of Commerce, has issued a Notification No. 3 dated 31st March 2003, according to which plant and plant portions obtained from the wild and their cultivated varieties, except for 29 species of

plants listed n Appendix 2 of Schedule 2 of ITC (HS) Classification of Import & Export items, 2002-2007 and Certain species of plants listed under CITES (Convention on International Trade in Endangered Species) are freely exportable with NOC/Cultivation Certificate from Government Authorities. Even formulations made from the 29 prohibited species are freely exportable.

- A panel has been formed in the CHEMEXCIL, an autonomous Export Promotion Council setup by the Department of Commerce, for giving thrust to exports of Ayurveda and Herbal Medicine. Financial assistance to individual exporters of the industry is also being granted for participating in International Trade Fairs through its Marketing Development Assistance (MDA) Programme. In addition, through its Market Access Initiative Scheme, the Department of Commerce is financing the conduct of market study and follow-up activities to promote exports.

MISS MABEL REBELLO: Sir, reply to part 'b' of the question is wrong and understated. There was a PIB release on 18.07.2002, which states that estimated global demand for herbal and medicinal plants, in the region, would be of US$ 60 billion, that is, Rs. two lakh crores. But the Minister says that the estimated demand is only Rs. 4,700 crores, which is almost 50 times more. I do know how the Minister gives a statement like that. I would like to know from the hon. Minister whether the Exim Bank has conducted any market research or study on the demand of Indian medicinal and herbal plants abroad. If yes, in which countries they have done it? And, have they shared this information with the manufacturers of herbal and medicinal products? Sir, they have been saying that because of the unorganized sector they were not able to export. China is exporting medicinal plants worth Rs. 25,000 crores, while we are exporting only worth Rs. 400 crores.

MR CHAIRMAN: Please put the question.

MISS MABEL REBELLO: Sir, I would like to know from the hon. Minister, why this is so. First of all he is understating this. Then, what incentive is he giving for exporting this? He is rather discouraging the people to export.

SHRI ARUN JAITLEY: Sir, the figures are not understated. But there is a point of distinction to be noted. One is in relation to the herbal medicinal plants. As far as herbal medicinal plants are concerned, the global demand, today, is $ one billion.

MISS MABEL REBELLO: Sir, this is the estimate of 1997.

SHRI ARUN JAITLEY: Over the next few years, this is anticipated to increase to US $ five billion. There is a larger category that deals with all herbal products. These will include food supplements; these will include medicines, veterinary medicines, etc. That is the demand, as per the WHO figure, which the Exim Bank has produced in its booklet, which was expected to be about $ 60 billion, and whcih is anticipated to increase to about $ 62 billion. Sor, these are two separate categories. One is, $ one billion, likely to increase to $ five billion, with regard to the medicinal plants; the other is the larter basket of herbal products.

MISS MABEL REBELLO: Sir, my second supplementary is, it is the tribals..... *(Interruptions)*

MR. CHAIRMAN: Are you satisfied with the first answer?

MISS MABEL REBELLO: Sir, I am somewhat satisfied.

Most of these products, whether it is herbal or medicinal, are in the forest areas. And, it is the tribals and villagers, who stay in the forests and nearby areas, who can engage themselves in the gainful activities. They collect these products. They should not only collect these products, but they must also cultivate these products. This will generate a large amount of employment in the country, which is the need of the hour. So, I would like to know from the hon. Minister what is he doing to encourage the tribals and villagers to grow these products so that an organized market is there? Otherwise, the people, who are exporting, will casually collect it, and sometimes they may say, "It is not available". What is he doing to make available continued assured supply, so that people can get jobs and also make money?

SHRI ARUN JAITLEY: Sir, the question has really been addressed to the Commerce Ministry because we are concerned only with the export component of this. But really the substance of the supplementary deal9 with the steps, which have been taken by the Department of Indian

System of Medicine, and also by the other departments of the Government. Several steps have been taken, not only to encourage cultivation in the forest areas, but also outside the forest areas, so that there is a large quantity of plants, which is available outside the forest areas. For this, you have the National Medicinal Plant Board, which is actually giving grants, as far as cultivation outside forest areas is concerned. You have a full scheme, which I have elaborated in the reply, that is, the Vanaspati-Van Scheme, which is intended to increase the. cultivation of this product, both inside and even outside the forest.

SHRI B.J. PANDA: Sir, I thank the hon. Minister for this most detailed answer, many components of which relate to another Ministry. But my supplementary to him has to do with export promotion of herbal medicines. Sir, as he is aware, a lot of foreign companies have grabbed the market, in Western markets, by branding Ayurvedic products. My question to him is: Is the Ministry taking or contemplating taking any steps to brand Ayurvedic products in Western markets as of Indian origin and thus promote their export from India?

SHRI ARUN JAITLEY: Sir, as far as the branding of these medicines is concerned, this really is an activity which has to be done by individual entrepreneurs. Now, the Government under various schemes, which I have already elaborated in the reply, is encouraging cultivation as also export of these outside the country, as also production and formulations inside the country. Once brands are created by Indian entrepreneurs, these brands would be exported by them. However, in case any violations of these take place, if that is one of the intents behind the supplementary, the patent law itself operates within your own sovereign jurisdiction. And if there are Indian patents, which are violated by some people outside by getting them registered within their jurisdiction, it becomes a matter of private law. And, therefore, in the past, the Government of India has been, either through the CSIR or through APEDA**,** or other appropriate agencies, when it corns to Basmati rice, for instance, initiating action for revocation of those patents outside India and in a number of cases, we have succeeded in doing that. Similar action can also be taken if complaints come in relation to herbal medicines.

SHRI C. RAMACHANDRAIAH: Sir, I should congratulate the Government for coming out with a package for providing incentives to grow these medicinal plants on a large scale. But the constraint is about

marketing. Especially, these plants can be grown in area where there is no irrigation also. When such is the case, Sir, it has to be encouraged on a large scale. And the first thing is, it is not being popularised by advertisement or publicity; whatever it is.

The second aspect is about how the Government is coming forward to buy these medicinal plants from the farmers. In our area, the medicinal plants are being grown abundantly because of this encouragement that has been given. But they are finding it difficult to market the plants and it is being exploited by the big companies in India. Hence, the commensurate price is not obtained. So, what is the Government's plan to provide these marketing facilities?

SHRI ARUN JAITLEY: Sir, today we are at a stage where these medicinal plants have to be encouraged for their conversion into medicines themselves, for the appropriate formulations themselves. And for this purpose, the market for this is being developed under various schemes of the Government that I have already mentioned. There is no scheme under which the Government is buying these plants. But, for instance, as I indicated, grants are being given by the Board, for cultivation, to the farmers. The Scheme has been formulated, the Vanaspati-*van* Scheme, to encourage this. The Department of Bio-Technology is now assisting them by maintaining a gene bank. The CSIR, has a full project to encourage the research and development as far as these cultivations are concerned. We are at this particular stage and once these are popularized—as the figures indicate that the total market besides medicines of all products is estimated to be globally over $60 billion—then, certainly, a large number of Indian entrepreneurs also would be encouraged to buy these from the farmers so that these could then be exploited for medicinal, food supplement and other commercial uses.

Dual fees proposal for CAS

*102. SHRI SURESH KALMADI: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether it is a fact that the Cable Operators have rejected Government's price and dual-fees proposal for the Conditional Access System (CAS);